

The Questions Michigan Utilities Need to Answer

Getting the Facts Straight about Electric Choice

1. Does DTE Energy/Detroit Edison agree with the testimony from Consumers Energy last week stating that they believe the Michigan Legislature should eliminate the 10% of Michigan's current competitive marketplace and return Michigan to 100% monopoly control?
2. The Michigan Schools Energy Cooperative (MISEC) is one of the largest energy cooperatives of its kind in the nation, utilizing electric choice to provide electric service to Michigan's K-12 schools while saving millions that are then put directly back into the classroom.

- a. How do Michigan utilities respond to MISEC's recent letter (attached) stating that \$70 million has been saved thanks to Electric Choice?

That is \$70 million that was kept in the classroom rather than escaping through the light switch.

- b. How do utility representatives answer parents, teachers and administrators who want the same opportunity for greater investment in their own local public schools?
3. According to DTE marketing materials, the utility is competitively selling electricity to gas station owners (see attached) in Illinois at prices dramatically lower than they offer small business owners in Michigan.

Is DTE still competitively selling power to gas station owners in Illinois and, if so, is the price they are offering in Illinois less than they charge in Michigan? Why don't Michigan small business owners deserve lower prices?

4. Last week, we heard testimony that electric choice would stifle investment in electric generation, because utilities would no longer be profitable enough to spend money improving facilities, building plants or expanding generation capacity.

If that is true, why has DTE filed papers to build a new gas fired co-gen plant in Marietta, Ohio, a neighboring state with full electric competition? If competition prevents investment in generation infrastructure in Michigan, why hasn't it prevented investment in Ohio? Why is DTE creating jobs in Ohio and 11 other states?

5. Earlier this year, DTE testified in Pennsylvania in support of electric choice, because the utility benefits financially from choice.

Why does DTE Energy believe it is fair for Pennsylvania customers to enjoy the cost-saving benefits of electric choice but not Michigan customers? Do they stand by their testimony in Pennsylvania or here in Michigan?



MISEC – Michigan Schools Energy Cooperative

March 20, 2014

The Honorable Aric Nesbitt, Chair
House Energy & Technology Committee
Michigan House of Representatives
S-1085 House Office Building
P.O. Box 30014
Lansing, MI 48909

Dear Representative Nesbitt,

As the House Energy & Technology Committee considers electric competition, the Michigan Schools Energy Cooperative (MISEC) wanted to share the following information. MISEC is one of the largest energy cooperatives of its kind in the nation, utilizing electric choice to provide electric service to Michigan's K-12 schools.

- Michigan's public schools have saved over \$70,000,000 through MISEC. These are savings that have gone directly into the provision of educational services for Michigan's students.
- MISEC has provided Michigan's schools budgetary certainty during very difficult economic times.
- MISEC has been able to aggregate the purchase of electricity across the state which in turn has reduced costs and resulted in fewer resources being expended to purchase electricity for MISEC's member districts.
- Through competition, MISEC has also been able to adjust how it has utilized the variable portion of its electric demand to better control total consumption and cost for member districts.

Thank you for your attention to this letter.

Sincerely,

Raymond S. Telman, Secretary/Treasurer
Michigan Schools Energy Cooperative

Michigan Schools Energy Cooperative • 826 Municipal Way
Lansing, MI 48917 • 517.492.1380 • Fax 517.492.1368

DTE Energy®



DTE Energy Supply

Special Offer on Electricity Rates for Gas Stations

What could you do with an extra \$300 a month in your pocket?

DTE Energy Supply, Inc. is now offering a *special low rate* just for gas stations in the state of Illinois. Due to your favorable electricity usage we are able to offer you a special product that reduces electricity rates. You can enroll now and start saving your business money.

SAVE UP TO
20% OR MORE

Special Gas Station Rate: \$0.0599 per kilowatt hour

SAVE UP TO
20% OR MORE

Feel free to call us for more information at 888.528.0801 or if you like what you see you can enroll with DTE Energy Supply, Inc. right now. Call us and enroll over the phone using the above number. Or, you can complete the enclosed enrollment form and email, fax, or mail it to us with an attached copy of your most recent electric bill. The savings will begin as soon as DTE Energy Supply, Inc. and the local utility company accept your enrollment request.

Instructions on how to choose our special offer:

Call: 888.528.0801

Or

Step 1:
Fill out the enclosed Enrollment Form.

Step 2:
Attach a COMPLETE copy of your most recent electric bill. If you have multiple accounts, include a COMPLETE copy for each account.

Step 3:
Make a copy for your records.

Step 4:
Send in the Enrollment Form and a complete copy of your electric bill by:

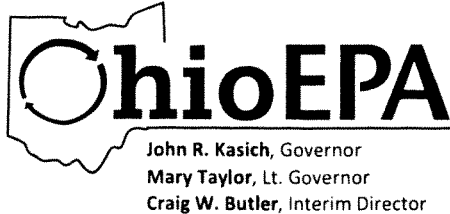
- E-Mail: dte_energysupply@dteenergy.com
- Fax: 734.887.2131
- Mail: 414 South Main Street Suite 200 Ann Arbor, MI 48104

Start saving money with DTE Energy Supply, Inc. today!

Sincerely,

George Deljevic
DTE Energy Supply, Inc.

DTE Energy Supply, Inc. is a certified alternative energy supplier and an affiliate the Fortune 500 Company, Detroit Edison



John R. Kasich, Governor
Mary Taylor, Lt. Governor
Craig W. Butler, Interim Director

2/21/2014

Certified Mail

Mr. Steve Zervas
DTE Marietta
414 South Main Street
Suite 600
Ann Arbor, MI 48194

No	TOXIC REVIEW
Yes	PSD
Yes	SYNTHETIC MINOR TO AVOID MAJOR NSR
Yes	CEMS
Yes	MACT/GACT
Yes	NSPS
No	NESHAPS
No	NETTING
No	MAJOR NON-ATTAINMENT
No	MODELING SUBMITTED
Yes	MAJOR GHG
No	SYNTHETIC MINOR TO AVOID MAJOR GHG

RE: DRAFT AIR POLLUTION PERMIT-TO-INSTALL

Facility ID: 0684015015
Permit Number: P0115137
Permit Type: Initial Installation
County: Washington

Dear Permit Holder:

A draft of the Ohio Administrative Code (OAC) Chapter 3745-31 Air Pollution Permit-to-Install for the referenced facility has been issued for the emissions unit(s) listed in the Authorization section of the enclosed draft permit. This draft action is not an authorization to begin construction or modification of your emissions unit(s). The purpose of this draft is to solicit public comments on the permit. A public notice will appear in the Ohio Environmental Protection Agency (EPA) Weekly Review and the local newspaper, The Marietta Times. A copy of the public notice and the draft permit are enclosed. This permit can be accessed electronically on the Division of Air Pollution Control (DAPC) Web page, www.epa.ohio.gov/dapc by clicking the "Search for Permits" link under the Permitting topic on the Programs tab. Comments will be accepted as a marked-up copy of the draft permit or in narrative format. Any comments must be sent to the following:

Andrew Hall
Permit Review/Development Section
Ohio EPA, DAPC
50 West Town Street, Suite 700
P.O. Box 1049
Columbus, Ohio 43216-1049

and Ohio EPA DAPC, Southeast District Office
2195 Front Street
Logan, OH 43138

Comments and/or a request for a public hearing will be accepted within 30 days of the date the notice is published in the newspaper. You will be notified in writing if a public hearing is scheduled. A decision on issuing a final permit-to-install will be made after consideration of comments received and oral testimony if a public hearing is conducted. Any permit fee that will be due upon issuance of a final Permit-to-Install is indicated in the Authorization section. Please do not submit any payment now. If you have any questions, please contact Ohio EPA DAPC, Southeast District Office at (740)385-8501.

Sincerely,

Michael W. Ahern, Manager
Permit Issuance and Data Management Section, DAPC

Cc: U.S. EPA Region 5 -Via E-Mail Notification
Ohio EPA-SEDO; Pennsylvania; West Virginia

PUBLIC NOTICE
Issuance of Draft Air Pollution Permit-To-Install
DTE Marietta

Issue Date: 2/ 21/2014
Permit Number: P0115137
Permit Type: Initial Installation PTI
Permit Description: Initial installation of a new cogeneration facility
Facility ID: 0684015015
Facility Location: DTE Marietta
17005 State Route 7
Marietta, OH 45750
Facility Description: Cogeneration Facility

The Director of the Ohio Environmental Protection Agency, 50 West Town Street, Columbus Ohio has issued a draft action of an air pollution control permit-to-install (PTI) for the facility at the location identified above on the date indicated. The draft permit proposes to allow the installation of an 8 MW natural gas-fired turbine/HRSG, two 96.5 mmBtu/hour boilers and a back-up generator.

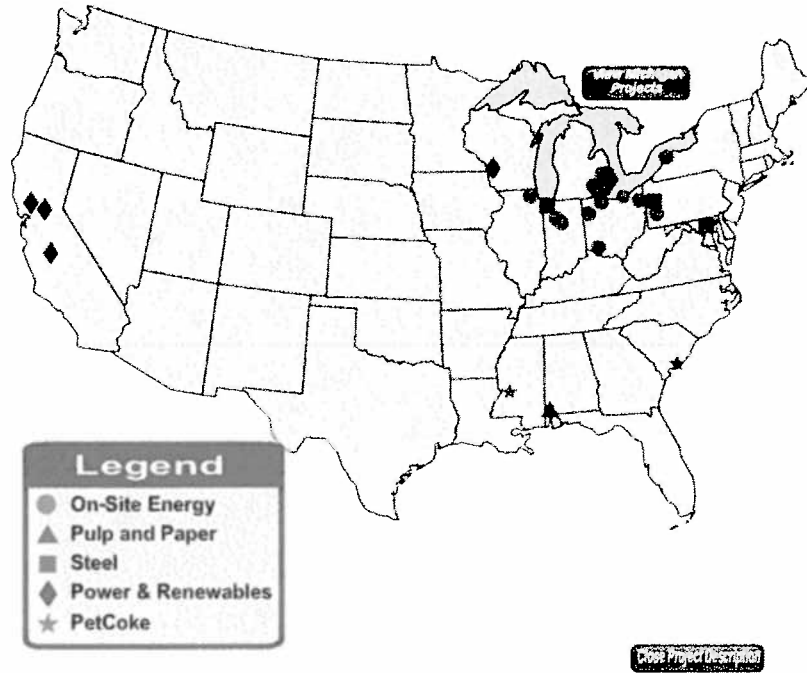
This facility is subject to the applicable provisions of the Prevention of Significant Deterioration (PSD) regulations as promulgated by U.S. EPA (40 CFR 52.21). The draft permit proposed allowable emissions rates of PSD pollutants from the facility are: 208,455 tons per year of CO₂e. Ohio EPA has determined that ambient air quality impacts from the project comply with the PSD increment requirements.

The permit and complete instructions for requesting information or submitting comments may be obtained at: <http://epa.ohio.gov/dapc/permitonline.aspx> by entering the permit # or: Sarah Harter, Ohio EPA DAPC, Southeast District Office, 2195 Front Street, Logan, OH 43138. Ph: (740)385-8501

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Project Map

We currently operate large scale energy projects in 13 states. To view brief descriptions of these projects, click on the map location. To view our multiple projects in Michigan, first click on the state.



**DTE Energy****DTE Energy Supply**[Home](#)[Gas](#)[Power](#)[Contact us](#)**Power**

DTE Energy Supply provides reliable, flexible and competitively priced power supplies and price risk management services to commercial, industrial and institutional end-users in choice based markets in the Midwest and Northeast.

We offer full requirements, fixed price, index based, and fixed block products under fair and reasonable terms and conditions.

We focus on building strong relationships with customers and their advisors, and meeting all of our commitments and your expectations through world class execution.

As a subsidiary of DTE Energy, a Fortune 500 company with a history spanning 150 years and currently serving nearly 3 million utility customers, you can trust DTE Energy Supply to reliably meet your power supply needs.

What's more, we are tightly integrated with DTE Energy's top-tier wholesale energy marketing and trading operation, so you can be assured that you will have access to the information you need to make the right energy choices for your facilities.

Please refer to the table below for the status of DTE Energy Supply's offerings in your market area.

Please [contact us](#) if you are a large end-user or institutional customer or other market participant and would like DTE Energy Supply to participate in supply bids in advance of the dates listed.



State	Utility	Status
Illinois	ComEd and Ameren	Serving
Pennsylvania	PPL, Duquesne and PECO	Serving
Ohio	AEP-CSP, AEP-OH, Duke Energy and First Energy	Serving
Ohio	Dayton P/L	Serving
New York	ConEd, NiMo (National Grid)	Serving
New Jersey	PSE&G, JCPL and ACE	Fall 2012
Texas	Oncor and Centerpointe	2012

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Update on Electric Competition and Consumer Choice – Comments from DTE Energy Trading

DTE Energy Trading is a wholesale supplier of electricity and gas throughout the continental United States. DTE Energy Trading is a subsidiary of DTE Energy. DTE Energy Trading has actively participated in competitive wholesale solicitations to supply Default Service in many states for over a decade. We refer to Default Service as the service to retail customers by the incumbent utility in choice markets. The competitive supply of Default Service began in 2002 when the state of New Jersey implemented its first Basic Generation Service or “BGS” through a competitive auction process. The state of Maryland and states in New England followed with their own competitive generation procurement processes. In 2007, the Pennsylvania legislature and Pennsylvania Public Utility Commission (“Commission”) established competitive Default Service procurement for each of the electric utilities in Pennsylvania that provide electric distribution service to their customers. DTE Energy Trading supports the continued competitive sourcing of generation services by utilities in the wholesale market and providing those services to its customers at cost. DTE Energy Trading objects to any proposal that would eliminate the sourcing of Default Service through a competitive wholesale procurement process. Default Service in Pennsylvania is a best practices approach that has a proven record of success in many states with choice markets.

Pennsylvania retail electric customers receive all of the benefits of electric competition when they take Default Service from their local utility. Each of the utilities are responsible for overseeing a transparent, competitive procurement process (with bid awards ultimately approved by the Commission) that aggregates retail customers into large blocks of customer load and offers the blocks out for bid. Many large and creditworthy wholesale suppliers take advantage of the opportunity to compete to serve these blocks. The fact that many wholesale suppliers are attracted to this competition ensures that customers on Default Service are the ultimate beneficiaries of highly competitive prices. The local utilities that implement the competitive procurement process on behalf of their Default Service customers make no profit for themselves and are therefore financially indifferent to whether their customers take Default Service or not. And, because there is no intermediary or middleman between the customer and the wholesale supplier, the price that the Default Service customer receives is not subject to additional layers of profit being pancaked into the price.

Not only do retail customers in Pennsylvania receive all of the benefits of competition under Default Service, they also have the option to at any time take their business elsewhere. The price for Default Service is posted on the Commission’s competition website link known as

[MORE ON BACK]

PAPowerSwitch. PAPowerSwitch posts the current retail price offered by the local utility for Default Service as well as the competitive prices currently being offered by competitive retail suppliers ("Electric Generation Suppliers" or "EGS"). Retail customers in Pennsylvania have the right to switch to an EGS at any time they so choose with no restrictions. The existing competitive procurement model for supplying Default Service in Pennsylvania has widespread support from many organizations in Pennsylvania including the AARP and the Pennsylvania Consumer Advocate.

Senate Bill 1121 if implemented would dramatically change the procurement process for Default Service and effectively eliminate it as an alternative for retail customers, thereby reducing competition. Under SB 1121, the Commission would establish a one-time competitive process to place all retail customers currently taking Default Service with EGS companies. In exchange for this opportunity, each EGS will pay the Commonwealth a fee of \$100 per customer acquired through a Commission-established transfer process, and an additional \$50 bonus paid to each customer. However, each EGS is will be free to claw back that \$150 by raising their electricity prices, much like satellite dish and cable companies do after the promotional period expires. EGS companies will be free to raise prices without the periodic review by the Commission. And, because Default Service will have been eliminated, there will no longer be any transparency with the "price to compare" wholesale competitive bidding process.

EGS companies will also be free to drop any customers that they deem unprofitable, putting them on to a temporary default service that SB 1121 provides. Who will provide Default Service when it is needed? Under SB 1121, when customers do not have an EGS, they are moved to temporary 60-day Default Service provided by a Commission-approved EGS, after which they are transferred to an EGS through another undefined Commission-approved process, but at what price?

Supporters of SB 1121 have made misleading claims with regard to the current Default Service structure. The worst of these claims is that customers on Default Service "still receive their electricity from the local utility," as if there were no transparent, competitive procurement process involved. Supporters state that, "The Act will complete the transition to a fully competitive retail electricity market by effectively ending utility provided Default Service." This ignores the fact that the current process is already fully transparent, competitive and Commission approved, and offers the benefits of wholesale pricing for retail customers.

Supporters of SB 1121 point out that two thirds of residential and small business customers remain on Default Service. However, there are no barriers for customers who wish to leave Default Service and choose an EGS supplier. The only conclusion is that the transparent and competitive Default Service represents the best choice and a preferred alternative for many customers in the Commonwealth.